DOCUMENT RESUME

ED 299 878 HE 021 767

TITLE	Survey on Tuition Policy, Costs and Student Aid.
INSTITUTION	State Higher Education Executive Officers Association.
PUB DATE	Jun 88
NOTE	43p.; For related documents, see HE 021 760 and HE 021 765-768.
AVAILABLE FROM	State Higher Education Executive Officers, 1860 Lincoln Street, Suite 310, Denver, CO 80295 ($8.00).
PUB TYPE	Reports - Research/Technical (143) -- Statistical Data (110) -- Tests/Evaluation Instruments (160)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	Agency Role; Budgeting; Fees; Governing Boards; Higher Education; In State Students; National Surveys; Noninstructional Student Costs; Out of State Students; Productivity; *Public Policy; Questionnaires; *Resource Allocation; *State Boards of Education; State Government; State Legislation; *Student Costs; *Student Financial Aid; *Tuition
IDENTIFIERS	Manitoba; *Tuition Waivers

ABSTRACT

A survey of the finance and executive officers of the statewide coordinating and governing boards in the United States and one Canadian province (Manitoba) gathered information on state policy regarding college costs, tuition, and student financial aid. The first part, completed by finance officers, asked specific questions about the responsibility for policy formation on a variety of related financial issues, resource allocation within the public sector, factors affecting decisionmaking, perceptions of state policy, and state efforts to gather information on which to base policy decisions. Some specific responses are presented. In the second part, completed by state executive officers, respondents were asked to state their agreement with, action on, concern about, or opinion concerning statements on a variety of financial policy-related issues. Responses (and survey questions) are presented by board type (coordinating or governing) and as percentages of that group and of the whole group. In this survey, individual responses were confidential. (MSE)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED299878.

SURVEY ON TUITION POLICY, COSTS AND STUDENT AID

June 1988

State Higher Education Executive Officers
1860 Lincoln Street, Suite 310
Denver, Colorado 80295
(303) 830-3685

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

SHEEO

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

BEST COPY AVAILABLE

HE 021 767

FOREWORD

The following survey was completed in February and March 1988 by the finance and executive officers of the statewide coordinating and governing boards which make up the membership of SHEEO (Part I was completed by finance officers; Part II by executive officers). The survey was commissioned by the SHEEO Committee on College Costs chaired by Gordon Davies, Director of the State Council of Higher Education for Virginia. Assisting in the survey design were Denis J. Curry (of Curry and Associates), Michael Mullen (of the Virginia Council), and John Wittstruck, Director of the SHEEO/CES Network. Jennifer Afton provided research assistance. Copies of individual state responses to Part I are available from the SHEEO office. Individual executive officer responses to Part II are confidential.

In addition to this survey, the Committee on College Costs commissioned the following reports which are available from the SHEEO Office.

Tuition and Student Aid Policies: What Role For SHEEOs?
Denis J. Curry, $8

The Cost of Providing Higher Education: A Conceptual Overview
Paul Brinkman, $8

Focus on Price: Trends in Public Higher Education: Tuition and State Support
John Wittstruck and Steve Bragg, $15

Your comments and questions are welcomed.

James R. Mingle
Executive Director

PART I

Total respondents in Part I = 49 states and 1 Canadian province.

Tuition Policy

Definition: The term "tuition" as used in this survey is intended to mean tuition and required fees charged to all students in a category (e.g. full-time undergraduate residents). It does not include laboratory or course fees or fees which are optional on the part of students.

Part I
Question 1

1. **Which of the following agencies has the legal responsibility for establishing tuition rates for public institutions in your state? (If the legal responsibility only implements the decision of another body, or a statutory formula, please indicate and explain.) Check as appropriate.**

	Research Universities	State Coll & Universities	Community Colleges
Institutional or system governing boards	42	42	39
State coordinating board	3 (Connecticut, Oklahoma, Kentucky)	3 (Connecticut, Oklahoma Kentucky)	4 (Connecticut, Oklahoma, Kentucky, Wyoming)
Legislature	4	4	4
	(Texas, Washington, Nebraska, California)		
Other (Specify)			1 (Manitoba)
TOTAL	49 (less S. Dak.)	49 (less Wyoming)	48 (less New Hampshire and So. Dakota)

Comments

In most states, it is the institutional or system governing board which sets tuition rates. Only a few legislatures play a direct role in setting tuition; however, as indicated in the exceptions below many play an indirect role by establishing limits or guidelines and by requiring a specified level of revenue that must be generated from tuition (see also question 4, part I). Additional state coordinating boards may also play a role in determining rates through their recommending authority and advisory role in budget development.

Exceptions/Explanations

CALIFORNIA: The methodology for tuition rates for the University and State University is set in statute, to be implemented by the governing boards subject to approval by the legislature and governor. The policy for the community colleges is also set in statute but the governing board plays no role in the fee implementation process.

CONNECTICUT: Changes are initiated by the system governing boards. The coordinating board has the final approval.

FLORIDA: The legislature establishes a total amount of fee revenue annually in the general appropriations act. The respective boards adopt specific tuition levels in order to generate the total amount. (A similar explanation was offered by Virginia. For a complete list of states which set tuition as a percentage of the state appropriation or "instructional cost," see question 4.)

KANSAS: Statute specifies a tuition rate for community colleges. Local boards set tuition within this range.

KENTUCKY: The state coordinating board sets tuition; governing boards set mandatory fees.

NEBRASKA: Institutional governing boards determine tuition levels which must be approved by the legislature through the appropriations process.

MANITOBA: Community college tuition rates are established by the provincial cabinet.

MISSISSIPPI, MARYLAND, MONTANA and IDAHO indicated that local boards establish community college tuition rates.

OKLAHOMA: The legislature establishes limits.

SOUTH DAKOTA: The revenue is specified by the legislature, and the governing board sets the tuition rate to achieve that revenue.

TEXAS: Institutions may raise graduate rates and professional school rates for specified degrees. The coordinating board may recommend that the legislature increase tuition rates at all levels.

WASHINGTON: Boards of trustees and regents adopt statutorily mandated levels based on coordinating boards calculated costs.

WYOMING has no "state colleges and universities," thus the total of 49 in this column.

Part I
Question 2

2. Approximately what percentage of undergraduate resident tuition revenue is used to support education and general costs (either directly or, in the case of revenue deposited in the state treasury, indirectly)?

Percentage of tuition revenue used for E&G	Research Universities	State Colleges and Universities	Community Colleges
81-100%	16	18	18
61-80%	4	3	1
41-60%	1	1	0
21-40%	8	11	8
0-20%	8	7	12

Comments

The most common practice in the states is to devote most or all of tuition revenues for use in support of education and general expenses. However, a significant number of states use tuition primarily for other purposes — debt service, for example.

Part I
Question 3

3. Which of the statements below best describes the treatment of tuition revenue available for operations in the budget process? Please check one and note important exceptions.

30 A. Tuition and fee revenues are controlled and retained by institutional and system governing boards. Estimates of this revenue are used by the state budget office and/or the coordinating board in developing budget requests and recommendations.

6 B. Tuition and fee revenues are controlled and retained by institutions, but estimates of revenue are not considered in developing requests or appropriations.

12 C. Tuition and fee revenues are deposited in the state treasury. Institutions receive an appropriation from these "special revenue funds" in addition to their tax revenue appropriation.

4 D. Tuition and fee revenues are deposited in the state treasury as general revenue and their return to higher education is only inferred.

Comments

In most states (36), tuition and fee revenues are retained and controlled by institutional and system governing boards.

(Two states responded differently for different sectors, thus 52 responses. California indicated response "A" for the University of California, response "B" for the California State University System, and Manitoba indicated response "D" for community colleges, response "A" for all other institutions.)

Exceptions/Explanations

LOUISIANA: Response "B" - Tuition and fees, while maintained by the institutions, must be appropriated before they can be used.

MARYLAND: Response "C" - Community colleges receive a grant of state funds. Budgets, however, are not reviewed at the state level.

MINNESOTA: - Response "A" - Although tuition revenue from the state university and community college system is deposited in the state treasury, these systems have complete control over the funds.

NORTH CAROLINA: Response "C" - Tuition is deposited with the state treasurer but is an integral part of the academic budget of each institution. Fees are deposited with the state treasury but the institution has considerably more control than with tuition revenues.

OKLAHOMA: Response "C" - Funds are deposited in the institution's account in the state treasury. They may not be spent until appropriated by the coordinating board.

Part I
Question 4

4. Which of the following statements best describes the tuition policy in your state? Please check one.

8 **A. Expected tuition and fee revenue is established by statute or regulation as a specified percentage of instructional cost or general state appropriations.**

Connecticut	New Jersey
Florida	Tennessee
Georgia	Virginia
Minnesota	Wisconsin

4 **B. Tuition and fee rates are established by statute or regulations as a specified percentage of per-student costs or general state appropriations.**

Arizona
California (see note below)
Illinois
Washington

If either A or B is checked:

What percentage is used? See explanation section.

What is the definition of cost? See explanation section.

25 **C. Tuition and fee rates are established by institutional or system governing boards and are viewed as the difference between institutional needs and state appropriations. Tuition rates are often established after receiving indications of the level of state support to be provided.**

12 **D. Tuition and fee rates are established by institutional or system governing boards with little or no explicit consideration of state appropriations. Rather, these rates are more a matter of competitive forces and what the market will bear.**

4 **E. Tuition and fee rates are set by the legislature or the coordinating board.**

Note: Three states gave 2 responses each; two states gave no responses; hence 53 responses total. New Mexico indicated response "C" for four-year institutions, response "D" for two-year. See other notes in explanations/exceptions.

Comments

The strategies and policies used to set tuition differ significantly among the states. Only 12 states indicated that tuition and fee revenue or rates were formally established as a "percentage of cost." Half of the respondents to this survey (25) said that institutions set tuition after receiving indications of the level of state support in order to balance budgets.

Exceptions/Explanations — States setting tuition as a percent of cost — percentages and definitions of cost.

CALIFORNIA: There is not a set percentage for per-student costs. Rather, the statute for fees provides an indexing methodology for increases which is based on annual charges in the per-capita student increases in state general fund apportionments. The methodology thus contains prices rather than costs.

CONNECTICUT: Policy is established by board guidelines at 20-25% of prior-year appropriations. Costs are defined as E & G expenditures.

FLORIDA: The goal is 25% (presently near 23%). Costs are direct instructional costs for the prior year plus a prorated share of "shared costs" (administration, library, etc.).

GEORGIA: Twenty-five percent of total education and general less public service, continuing education, major repair and replacement funds, and other improvement items.

ILLINOIS: The specification of tuition as a percent of costs is a matter of board policy in the development of budget recommendations, not statute. Tuition and fee revenue is not to exceed one-third of instructional costs. Annual unit cost studies are the basis for determining costs. State appropriations for retirement, capital improvements, research and public service are excluded.

MINNESOTA: Policies limited to tuition revenue only (required fees excluded); 33% for collegiate systems and 26% for technical institutes. Fully-allocated instructional cost includes expenditures for direct instruction and support attributable to instruction.

VIRGINIA: Percentages by level, type of institution, and residency status ranging from low of 22.6% in community colleges to a high of 40% in some four-year institutions. The "adjusted educational and general cost" is total cost less community education/community service/public service, research, medical/dental, veterinary medicine ancillary support, indirect costs, federal appropriations and reimbursements from outside agencies.

WASHINGTON: Percentages by level, type of institution, and residency status ranging from a low of 23% for resident graduates in senior institutions and resident undergraduates in community colleges to a high of 75% for nonresident graduates in regional institutions. Cost is defined as direct instructional costs and indirect costs allocated to instruction.

WISCONSIN: Thirty-five percent instruction, student service, academic support plus pro-rata share of administration, physical plant, and depreciation.

Part I
Question 5

5. Do the tuition-setting bodies in your state use any of the following factors formally or informally in setting tuition levels? Check all that apply.

14	**Consumer price index**
12	**Higher education price index**
7	**Personal Income**
33	**Levels at peer or competing institutions**
30	**Other**

Which of the above is most important?

1. Levels at peer or competing institutions = 15
2. Level of the state appropriation = 12 (write-ins to "other" category)
3. Consumer price index = 3
4. Higher education price index = 2
5. Personal income = 0

Comments

Market forces and the level of state support which institutions may expect are far more powerful factors in setting tuition than such external indices as the consumer price index. (For further analysis of the relationship between tuition and state support, see questions 4 and 10 in Part I and question 1B in Part II.)

Other factors mentioned by states included:

NEW HAMPSHIRE: None used, however, variances from CPA and HEPI trends are often referenced during negotiations.

NEW JERSEY: Market forces/constituency/political impact.

NEW MEXICO: Incremental pricing.

PENNSYLVANIA: Since tuition is established by each college/university/state system, the factors employed to determine the tuition level are unknown at the state level.

PUERTO RICO: Credit rating of the university system for capital improvement projects.

RHODE ISLAND: Relationship of tuition increases to the growth in institutional education and general spending. The interrelationship between undergraduate and graduate, full-time and part-time, and resident and non-resident tuitions.

SOUTH DAKOTA: Establish the lowest rates possible and still generate the specified revenue.

TENNESSEE: Levels at comparable regional institutions.

UTAH: Fuel costs of institutions. Institutional category.

WYOMING: Provide an education as nearly "free" as possible.

Part I
Question 6

6. Which of the following statements best describes the operating budget process in your state?

17 **A. The state higher education board and/or executive budget office establishes formula guidelines based on workload factors and average or standard costs with some differentiation based on such factors as enrollment level, discipline and/or institutional type.**

Arkansas	Louisiana	Oklahoma
California	Mississippi	South Carolina
Florida	Montana	Tennessee
Georgia	New Mexico	Texas
Kansas	North Dakota	Virginia
Kentucky	Ohio	

20 **B. Budget requests are developed by individual campuses based on general executive or legislative branch guidelines which are incremental in nature and often distinguish between continuing operations and new programs.**

Alabama	Indiana	South Dakota
Alaska	Manitoba	Vermont
Arizona	Maryland	Virginia
Delaware	Massachusetts	Washington
Florida	Nebraska	West Virginia
Hawaii	New Hampshire	Wyoming
Illinois	New Jersey	

16 **C. Other (describe briefly).**

Colorado	Nevada	Rhode Island
Connecticut	New York	Texas
Idaho	North Carolina	Utah
Michigan	Oregon	Wisconsin
Minnesota	Pennsylvania	
Missouri	Puerto Rico	

Comments

Only seventeen of the 50 respondents (34%) describe their operating budget process as having formula guidelines.

Part I
Question 7

7. At any time in the past ten years has there been a significant change in the policy on which tuition is based, for example, an extraordinary change in tuition rates, and/or a significant change in the percentage of cost or state appropriations borne by students?

33 = Yes 14 = No

If yes, please indicate the nature of the change, when it occurred, to whom it applied and the major reason for the change (e.g., decline in revenue, tax limits, shift of funds to state-mandated program, etc.) _____

Comments

The past decade has been a period of significant change in the policy on which tuition is based. Of those responding "Yes" to this question, a majority (57.6%) indicated that limited state revenues and appropriations was the principle cause for a significant change in tuition policy, and tuition was used as of source of revenue.

Part I
Question 8

8. In the case of revenue shortfalls or recisions of current year appropriations, institutional governing boards and/or the legislature have imposed tuition and fee surcharges to compensate for the lost revenue (check one).

2 = **Often**

7 = **Occasionally**

9 = **Seldom**

26 = **Never**

4 = **This state has not had a significant revenue shortfall in the past ten years.**

Comments

Over half (54.2%) of respondents indicated that institutional governing boards and/or the legislature have never imposed tuition and fee surcharges to make up for lost revenue.

Only 9 of the 48 respondents indicated that this practice was used "occasionally" or "often."

9. Must these surcharges be approved by the legislature, coordinating board or other body?

13 = Yes

13 = No

23 = Not applicable

___ If yes, by whom?

Comments

For those states that must have their surcharges approved, they must be approved by the following bodies:

GEORGIA: by system control board

IDAHO: by governing board

ILLINOIS: ("Yes" and "NA"): Tuition not formally approved by any other body; however, without legislative approval of appropriation authority, the revenues collected cannot be spent.

LOUISIANA: by management board

NEVADA: by University of Nevada System Board of Regents

NEW HAMPSHIRE: by Board of Trustees

OREGON: by legislature

PUERTO RICO: by the Council which is both governing and coordinating board in Puerto Rico.

TEXAS: only the legislature can increase the fees structure

UTAH: by state governing board

VIRGINIA: by legislature

WEST VIRGINIA: by governing board

WISCONSIN: by Board of Regents, legislature must approve expenditure of the fee revenues

Part I
Question 10

10. Do your state's public institutions provide waivers of tuition to categories of students (e.g., children of deceased firefighters, needy resident students, teaching assistants)?

46 = Yes

4 = No

If yes, approximately what percentage of total revenue is waived by different types of institutions?

Generally less than 20% of total revenue is waived by different types of institutions. Among research universities, 47.1% of respondents reported waiving only 0-5% of total revenue; 29.4% reported waiving 6-10% and 17.7% reported waiving 11-20%.

Responses for regional universities clustered in the same area: 66.7% reported waived revenue of 0-5%; 11.1% each reported waiving 6-10% and 11-15% and only one respondent (5.6%) reported a waiver of 16-20%.

Among community colleges, 60% of respondents reported 0-5% of total revenue waived, and 26.7% reported 6-10% waived. One respondent each reported waivers of 26-30% and 31-35%.

It should be noted that there was one exception to the low percentages of total revenues waived. Kansas reported that up to 60% could be waived at both its regional and research universities.

The most common waiver programs (partial or full) include those for:

Program	Number of Respondents
Senior citizens	19
Faculty or staff or other institutional employees or their dependents/spouses	17
Academic scholarships	12
Teaching assistants	11
Athletic scholarships	10
Graduate assistants	11

Part I
Question 11

11. Does your state have explicit state policies (legislation, rules, written guidelines) which govern tuition and fee policy in the following areas? Briefly describe.

(Note: States that answered "yes" with or without explanation, are noted below.)

A. Non-residents (as to tuition and fee rates)

Alabama	Kentucky	Ohio	Virginia
Arizona	Louisiana	Oklahoma	Washington
Arkansas	Massachusetts	Oregon	Wyoming
Connecticut	Minnesota	Pennsylvania	
Florida	Mississippi	Puerto Rico	
Georgia	New Hampshire	Rhode Island	
Hawaii	North Carolina	South Carolina	
Illinois	New Jersey	Tennessee	
Kansas	New Mexico	Utah	

Comment

Nonresident fees are most often reported as being a multiple of resident fees (11 respondents out of 31 or 35.5%). Numbers given range between 2 and 4 times.

B. Foreign nationals

*Alabama	*Louisiana	Oklahoma
*Arkansas	Massachusetts	*Puerto Rico
*Connecticut	*Mississippi	*Tennessee
*Florida	*North Carolina	*Utah
*Georgia	New Jersey	*Virginia
*Kentucky	Ohio	*Washington

*-Same as "non-resident" policies

C. Level differentiations (lower, upper division, undergraduate, graduate)

Arkansas	Oklahoma
Connecticut	Puerto Rico
Hawaii	Rhode Island
Kansas	Tennessee
Kentucky	Utah
Montana	Virginia
North Dakota	Washington
New Jersey	

Part I
Question 11
(continued)

Comment

When states differentiate between levels, it is most often between graduate and undergraduate (16 respondents of 18). However, six respondents also differentiate by certain professions (health, law, etc.).

D. Room and board charges

Connecticut	Puerto Rico
Georgia	Tennessee
Kansas	Utah
North Carolina	

E. Mandatory non-instructional fees (e.g. student services, athletics, health, etc.)

Connecticut	Ohio
Georgia	Oklahoma
Kansas	Oregon
Montana	Puerto Rico
North Carolina	Utah
North Dakota	Virginia
New Jersey	Washington

Part I
Question 12

12. In comparison to national levels I consider resident undergraduate tuition in my state to be (categorize according to the following scale):

Responses to Question 12 expressed as number and percentage

	Far Below Average	Below Average	About Average	Above Average	Far Above Average
Research Universities	8 = 18.6%	15 = 34.9%	6 = 14%	9 = 20.9%	5 = 11.6%
Regional Universities	8 = 17.4%	18 = 39.1%	10 = 21.7%	6 = 13%	4 = 8.7%
Community Colleges	7 = 16.3%	18 = 41.9%	6 = 13.9%	8 = 18.6%	4 = 9.3%

Part I
Question 13

13. A. Does your board and/or the legislature have a policy on state student financial aid?

29 = **Yes** 20 = **No**

States that responded "Yes:"

Alabama	Manitoba	Oregon
Alaska	Maryland	Puerto Rico
California	Massachusetts	Rhode Island
Connecticut	Minnesota*	Tennessee
Delaware	Nevada	Texas
Florida	New Jersey	Vermont
Georgia	New York	Virginia
Illinois	North Dakota**	Washington
Indiana	Ohio	West Virginia
Kentucky	Oklahoma	

*Minnesota comments: Assumption relates to expected portion of the cost of attendance, not need.

**North Dakota comments: Only to the extent that we have legislation authorizing two state grant and scholarship programs.

B. If Yes, does the policy include an assumption of the expected portion of financial need to be met by students/parents?

16 = **Yes** 3 = **No**

States that responded "Yes:"

ALABAMA: Federal Need Analysis Standards

ALASKA: 9%

CALIFORNIA: (No comment)

CONNECTICUT: Use CSS needs assessment

GEORGIA: (No comment)

INDIANA: Uniform Methodology contribution

KENTUCKY: A function of needs assessment

MANITOBA: Depends on need level and income

MINNESOTA: 50% (see note above)

NEW JERSEY: Similar to federal

OKLAHOMA: Maximum 25% of tuition, fees

OREGON: (No comment)

RHODE ISLAND: Based on needs analysis and CSS formula

TEXAS: (No comment)

VIRGINIA: Varies by income level

WEST VIRGINIA: Varies

C. **Does the policy include an assumption (or objective) of the portion of financial need to be borne by state government?**

6 = Yes **27 = No**

States that responded "Yes:"

GEORGIA: (No comment)

MINNESOTA: Varies. The portion of the cost of attendance not financed by the student, their parents or a Pell grant is financed by the state

NEW JERSEY: Tuition costs

OKLAHOMA: Maximum 75% of tuition, fees

RHODE ISLAND: Based on needs analysis and CSS formula

TEXAS: Depends on students' ability to pay

Part I
Question 14

14. Has your state conducted a study of the level of indebtedness of students or the extent to which recent tuition and student aid policies have affected access and enrollment patterns?

19 = **Yes**

States responding "Yes:"

Alabama	Minnesota
California	Montana
Colorado*	New Mexico
Connecticut	North Carolina
Florida	Ohio
Georgia	Oregon
Hawaii	South Dakota
Illinois	Virginia
Manitoba	Washington
Maryland	

*in progress

Part I
Question 15

15. Is your state studying the following types of financial aid programs?

(Percentages are measured against total responses for each question.)

		YES	NO
A.	**Tuition guarantee plans (e.g. Michigan Plan)**	26 = 60.5%	17 = 39.5%
B.	**Education savings plans (e.g. Illinois Plan)**	28 = 65.1%	15 = 34.9%
C.	**State-based work/study programs (e.g. Washington, Colorado)**	11 = 28.2%	28 = 71.8%
D.	**Loan forgiveness programs for targeted fields (e.g. education)**	20 = 47.6%	22 = 52.4%
E.	**Community/public service with some tuition benefits**	7 = 18.4%	31 = 81.6%
F.	**Merit-based scholarships**	17 = 43.6%	22 = 56.4%
G.	**Other**		

DELAWARE: Studying "scholarship/loan" program which is field specific or even job-location specific. Scholarship becomes loan if field or job is not obtained.

NEW JERSEY: Legislation is pending for support of non-traditional students (part-timers, single parents).

16. Has your state passed legislation implementing the following new types of financial aid programs?

A. Tuition prepayment plans (e.g. Michigan Plan) = 5

Florida	Tennessee
Indiana	Wyoming
Michigan	

B. Tuition savings plans (e.g. Illinois Plan) = 4

Illinois	North Carolina
Kentucky	Virginia

C. State-based work/study programs (e.g. Washington, Colorado) = 12

California	Kansas	New Mexico
Colorado	Kentucky	Vermont
Florida	Minnesota	Virginia
Indiana	Montana	Washington

D. Loan forgiveness programs for targeted fields (e.g. education) = 29

Arkansas	Kentucky	Oklahoma
California	Manitoba	Oregon
Colorado	Maryland	Tennessee
Connecticut	Massachusetts	Texas
Delaware	Missouri	Vermont
Florida	Mississippi	Virginia
Georgia	North Carolina	Washington
Hawaii	New Jersey	Wisconsin
Illinois	New Mexico	West Virginia
Indiana	Ohio	

E. Community/public service with some tuition benefits = 5

California	Manitoba
Colorado	Virginia
Florida	

F. Merit-based scholarships = 20

Arkansas	North Dakota
Colorado	New Jersey
Delaware	New Mexico
Florida	Ohio
Georgia	Oklahoma
Illinois	South Dakota
Indiana	Tennessee
Kentucky	Utah
Maryland	Virginia
North Carolina	Washington

Comments

Of the newer types of state-based financial aid initiatives, loan forgiveness and merit scholarship programs are by far the most popular. Despite considerable study, which continues, only five states have adopted tuition prepayment plans, while an additional four have adopted savings plans.

Part I
Question 17

17. Has your staff and board undertaken any studies targeted at studying costs/improving productivity? Please list.

ARIZONA: Commission on Effectiveness, Efficiency and Competitiveness

ARKANSAS: For the past year we have studied these issues in preparing our budget approach for the 1989-91 semiannual budget request for higher education.

GEORGIA: Under constant review, current interest in cost of academic middle management.

ILLINOIS: (1) Board report: "Assuring Program Effectiveness in Higher Education - The Role of the Board of Higher Education," January 5, 1988. (2) The Board has the statutory responsibility to review all existing programs of instruction, research, and public service. This is an on-going staff activity. (3) Annual Studies: Academic Unit Cost Study; Comparative Cost Study; Faculty Credit Hour Study; Program Major Cost Study.

MINNESOTA: The Coordinating Board plans a study of strategies for cost containment.

MONTANA: Formula Review Study currently underway.

NEW JERSEY: Strategic Plan to Meet the Goal of Affordability.

OHIO: We study average costs by program and level for the purpose of budgeting. Since our costs are below average due to historically low state support, and given institutional desire to limit fees, we have not placed a priority on reducing costs further.

OREGON: Not yet, but such a study is called for in the state plan for education during the 1987-93 period.

RHODE ISLAND: Faculty productivity.

SOUTH CAROLINA: We look at the issues of allocation vs. expenditure each year when we make formula revisions.

VIRGINIA: (1) Auxilliary Enterprises: Expenditures and Revenues Related to Intercollegiate Athletics. (2) Student Assessment. (3) Remedial Education.

Note: In addition to the above, the Iowa State Board of Regents (whose response came too late to be included) is currently conducting an "Organizational Audit" of its institutions.

PART II - For Executive Officers

Total Respondents in Part II = 47 states and 1 Canadian province

Part II
Question 1

1. Please indicate your response to the following questions using the scale:

Strongly Agree=1 Agree=2 Disagree=3 Strongly Disagree=4

Number and percent of respondents in each category who either "agree" or "strongly agree."			Statement
Coordinating	Governing	All	
A. 16 = 57.1%	18 = 100%	34 = 73.9%	**My board plays an important role in determining tuition and fee levels for public institutions in our state.**
B. 18 = 63%	11 = 57%	29 = 61.7%	**Tuition and fee rates in the public sector are driven primarily by the amount of state appropriations available in a given year.**
C. 11 = 40.7%	8 = 42.1%	19 = 41.3%	**Fees which pay for athletic programs and facilities should be optional.**
D. 7 = 25%	6 = 31.6%	13 = 27.7%	**Tuition and fee revenue from out-of-staters has been a "money-maker" for some institutions in our state in recent years.**
E. 13 = 46.4%	11 = 57.9%	24 = 51.1%	**Tuition and fee increases in recent years have been a part of conscious state policy to increase the share of costs borne by students in our state.**
F. 14 = 50%	9 = 47.4%	23 = 48.9%	**Tuition and fee increases in recent years have been a part of conscious strategy to increase the quality of education in our state.**
G. 16 = 57%	9 = 47.4%	25 = 53.2%	**Tuition and fee increases in recent years have been a necessity to compensate for declines in state support.**
H. 4 = 14.3%	1 = 5.3%	5 = 10.6%	**Tuition and fee levels in our state are a matter of competitive forces within higher education, not state action.**
I. 22 = 78.6%	18 = 94.7%	40 = 85.1%	**Tuition and fee rates are kept to the lowest possible level in order to encourage access and participation.**

Number and percent of respondents in each category who either "agree" or "strongly agree."			Statement
Coordinating	Governing	All	
J. 2 = 7.1%	5 = 26.3%	7 = 14.9%	**Tuition and fee increases in public institutions have been unnecessarily high in recent years.**
K. 14 = 50%	5 = 26.3%	19 = 40.4%	**Tuition and fee increases should be expected to conform to changes in the consumer price index.**
L. 26 = 92.9%	17 = 100%	43 = 95.6%	**Tuition in the public sector should be set on its own merits and not specifically to aid independent institutions.**
M. 12 = 46.1%	6 = 33.3%	18 = 40.9%	**Narrowing the "tuition gap" between public and independent institutions is a legitimate objective of public policy.**

Percentages in the coordinating board column are measured against all coordinating board respondents only, including those who disagreed. The same is true for the governing board column. The percentages for the "All" column are of those responding to the item, not the universe of states responding to the questionnaire.

Comments

Despite evidence that states have increased tuition as part of a "conscious" state strategy to improve quality (or out of necessity because of declining state revenues), most repondents (4 of every 5) believe that tuition and fee rates are "kept to the lowest possible level in order to encourage access and participation." Only 6 state executive officers believed that tuition and fee increases in public institutions had been "unnecessarily high" in recent years.

Responses to questions about aiding private institutions through tuition policy appear at first glance to be contradictory. Nine of every 10 respondents believed that public tuition policy should not be set specifically to aid independent institutions. However, about 41% of the respondents believed "narrowing the tuition gap" was a legitimate objective of public policy (presumably through student financial aid policy, not tuition setting.)

2. Which of the following rationales is used by tuition and fee-setting bodies in your state to justify increases?

Never=1 Seldom=2 Occasionally=3 Almost Always=4

Number and percent of respondents in each category who feel that rationales given are either "occasionally" or "almost always" used.			Statement
*Coordinating	*Governing	*All	
A. 20 = 80%	11 = 61.1%	31 = 72.1%	**Increasing personnel costs**
B. 11 = 44%	8 = 44.4%	19 = 44.2%	**Increasing administrative/support costs**
C. 6 = 24%	4 = 22.2%	10 = 23.3%	**Increasing need for student financial aid**
D. 11 = 44%	9 = 50%	20 = 46.5%	**Necessity of meeting state guidelines (e.g. percentage of cost)**
E. 19 = 76%	10 = 55.6%	29 = 67.4%	**Declining state support**
F. 13 = 52%	14 = 77.8%	27 = 62.8%	**Benefits accruing the individual student**
G. 22 = 84.6%	13 = 72.2%	35 = 79.5%	**General "quality improvement"**
H. 2 = 8%	0	2 = 4.7%	**To narrow the gap between public and independent institutions**

*For explanation of percentages, please refer to question 1.

Comments

"Quality improvement," "declining state support," and "increasing personnel costs" were the rationales used most often to justify increases in tuition.

Only two states cited "narrowing the gap" with the independent sector as an explanation for increasing tuition in the public sector.

3. Which of the following rationales is used by public tuition fee-setting bodies to justify holding the line on tuition?

Never=1 Seldom=2 Occasionally=3 Almost Always=4

Number and percent of respondents in each category who feel that rationales given in items A-J are either "occasionally" or "almost always" used.			Statement
*Coordinating	*Governing	*All	
A. 25 = 92.6%	17 = 94.4%	42 = 93.3%	**Increasing access**
B. 19 = 70.4%	13 = 72.2%	32 = 71.1%	**Impact on minorities**
C. 21 = 77.8%	16 = 88.9%	37 = 82.2%	**Traditions of the state**
D. 5 = 18.5%	9 = 50%	14 = 31.1%	**Increased state appropriations**
E. 13 = 48.1%	6 = 33.3%	19 = 42.2%	**Opposition by governor/legislature**
F. 1 = 3.8%	0	1 = 2.3%	**Public statements by U.S. Secretary of Education**
G. 18 = 66.7%	14 = 77.8%	32 = 71.1%	**Benefits accruing society from supporting education**
H. 4 = 14.8%	8 = 44.4%	12 = 26.7%	**Declines in inflation rate**
I. 6 = 22.2%	6 = 33.3%	12 = 26.7%	**Productivity improvements/cost reductions**
J. 14 = 51.9%	11 = 61.1%	25 = 55.6%	**Opposition by student lobbies**

*For explanation of percentages, please refer to question 1.

Comments

"Increasing access" and "traditions of the state" were the rationales used most often to justify holding the line on tuition.

"Public statements by the U. S. Secretary of Education" was mentioned by only one respondent as a factor in holding down tuition, as compared to 19 respondents who indicated opposition by the governor or the legislature as a constraint on increases.

4. Do you believe that student financial aid policy in your state is closely linked with tuition and state appropriations policy?

YES: 13 coordinating boards (46.4% of all coordinating boards responding)

4 governing boards (21.1% of all governing boards responding)

NO: 15 coordinating boards (53.6% of all coordinating boards responding)

15 governing boards (78.9% of all governing boards responding)

ALL YES: 17 or 36.2% of all respondents

ALL NO: 30 or 63.8% of all respondents

TOTAL RESPONDENTS: 47

Cost Control Measures/Productivity Improvements

5. Please indicate the level of your concern about higher education costs/productivity. Indicate the level of concern according to the scale: Low=1, High=4

Coordinating Board	Number and percent of responses, high or moderately high concern		Governing Board	Number and percent of responses, high or moderately high concern	
Graduate program costs	23	82.1%	Equipment/computer costs	16	88.9%
Equipment/computer costs	22	78.6%	Building/construct/renovation costs	15	83.3%
Professional/medical school costs	21	75.0%	Graduate program costs	15	83.3%
Program expansion costs	20	71.4%	Library Costs	14	77.8%
Building/constr/renovation costs	19	67.9%	Faculty productivity/workload	13	72.2%
Program duplication	19	67.9%	Program expansion costs	13	72.2%
Administrative/support costs	19	67.9%	Telecommunications costs	13	72.2%
Faculty productivity/workload	17	60.7%	Program duplication	11	61.1%
Library costs	17	60.7%	Research costs	11	61.1%
Research costs	17	60.7%	Professional/medical school costs	10	55.5%
Telecommunications costs	15	53.6%	Administrative/support costs	9	50.0%
Undergraduate program costs	13	46.4%	Undergraduate program costs	8	44.4%
Athletic costs	10	35.7%	Athletic costs	5	27.8%
Other	3	10.7%	Faculty/administrator travel costs	4	22.2%
Faculty/administrator travel costs	1	3.6%	Other	3	16.7%

All	Number and percent of reponses, high or moderately high concern	
Equipment/computer costs	38	82.6%
Graduate program costs	38	82.6%
Building/constr./renovation costs	34	73.9%
Program expansion costs	33	71.7%
Professional/medical school costs	31	67.4%
Library costs	31	67.4%
Program duplication	30	65.2%
Faculty productivity/workload	30	65.2%
Administrative/support costs	28	60.9%
Research costs	28	60.9%
Telecommunications costs	28	60.9%
Undergraduate program costs	21	45.7%
Athletic costs	15	32.6%
Other	6	13.0%
Facult/administrator travel costs	5	10.9%

Comments

The greatest concerns about costs of both coordinating and governing board executive officers were those associated with program expansion at the graduate level. Equipment, computers, and building construction and renovation costs were high on the list of both groups. In addition, the governing board respondents were greatly concerned about library costs.

In comparison, relatively little concern was expressed about undergraduate program costs, athletics, and faculty travel.

6. In your opinion what are the most likely areas for improving productivity in higher education? Circle appropriate response according to the scale:

Not worth the effort=1 Highly likely to reduce cost/raise productivity=4

Coordinating Board	Number and percent of responses high or moderately high concern (3 or 4)		Governing Board	Number and percent of responses high or moderately high concern (3 or 4)	
Coop library/computing ventures	27	96.4%	Coop library/computing ventures	17	89.5%
Controlling future academic expansion	25	89.3%	Controlling future academic expansion	15	78.9%
Coop acad ventures between units	25	89.3%	Coop academic ventures between units	15	78.9%
Coop admin/support ventures btwn units	22	78.6%	Greater utililzation of computer tech	12	63.2%
Better "outcomes" measures	21	75.0%	Better space utilization	12	63.2%
Greater util of dist learning/tele.	20	71.4%	Optimizing section sizes	12	63.2%
Better statewide master planning	19	67.9%	Better statewide master planning	11	57.9%
Greater util of computer tech	19	67.9%	Great util of distance learning/tele.	11	57.9%
Better space utilization	19	67.9%	Coop admin/support ventures btwn units	11	57.9%
Eliminating programs	18	64.3%	Better "outcomes" measures	10	52.6%
Increasing student-faculty ratios	15	53.6%	More joint ventures with business	10	52.6%
Reducing course offerings	14	50.0%	Reducing course offerings	7	36.8%
Optimizing section sizes	14	50.0%	Increasing student-faculty ratios	7	36.8%
Reduction of the "remedial" load	12	42.9%	Reduction of the "remedial" load	7	36.8%
Structural reorganization	12	42.9%	Eliminating programs	7	36.8%
Cutting back on administration	12	42.9%	Cutting back on administration	6	31.6%
More joint ventures with business	10	35.7%	Structural reorganization	6	31.6%
Restricting access and enrollment	7	25.0%	Reducing time to degree	4	21.1%
Reducing time to degree	6	21.4%	Restricting access and enrollment	3	15.8%
"Privatizing" admin/support activities	6	21.4%	"Privatizing" admin/support activities	0	0.0%

All	Number and percent of responses high or moderately high concern	
Coop library/computing ventures	44	93.6%
Controlling future acad expansion	40	85.1%
Coop academic ventures between units	40	85.1%
Coop admin/support ventures btwn units	33	70.2%
Greater utilization of computer tech	31	66.0%
Greater util of distance learning/tele	31	66.0%
Better "outcomes" measures	31	66.0%
Better space utilization	31	66.0%
Better statewide master planning	30	63.8%
Optimizing section sizes	26	55.3%
Eliminating programs	25	53.2%
Increasing student-faculty ratios	22	46.8%
Reducing course offerings	21	44.7%
More joint ventures with business	20	42.6%
Reduction of the remedial load	19	40.4%
Structural reorganization	18	38.3%
Cutting back on administration	18	38.3%
Restricting access and enrollment	10	21.3%
Reducing time to degree	10	21.3%
"Privatizing" admin/support activities	6	12.8%

Comments

Controlling future expansion and developing cooperating ventures, especially in the area of libraries and computing, were viewed by both coordinating and governing board executives as the most likely actions to reduce costs and improve productivity in the future. Coordinating board executives expressed relatively greater support for better outcome measures and greater utilization of distance learning as possible solutions to the cost/productivity problem.

Little support was found among either group for such measures as restricting access and enrollment, reducing time to degree, or "privatizing" administrative support activities in order to reduce cost and improve productivity.